



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

VILLAGE OF PLEASANT HILL
MIAMI COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Village of Pleasant Hill
Miami County
P. O. Box 557
Pleasant Hill, Ohio 45359

To the Members of Village Council:

We have audited the accompanying financial statements of the Village of Pleasant Hill, Miami County, Ohio, (the Village) as of and for the years ended December 31, 1999 and 1998. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Village prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of the Village of Pleasant Hill, Miami County, as of December 31, 1999 and 1998, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2000 on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of management and Village Council and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro".

Jim Petro
Auditor of State

June 9, 2000

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VILLAGE OF PLEASANT HILL
MIAMI COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1999**

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Expendable Trust	
Cash Receipts:					
Local Taxes	\$34,008	\$20,778			\$54,786
Intergovernmental Receipts	70,620	44,245			114,865
Special Assessments	640	17,688			18,328
Charges for Services		15,197			15,197
Fines, Licenses, and Permits	776				776
Interest	15,576	167		1,202	16,945
Miscellaneous	5,234			6,150	11,384
Total Cash Receipts	126,854	98,075		7,352	232,281
Cash Disbursements:					
Current:					
Security of Persons and Property	30,055	26,297			56,352
Public Health Service		16,609			16,609
Leisure Time Activities	2,194			412	2,606
Transportation	400	24,148			24,548
General Government	49,262				49,262
Capital Outlay	1,429	17,640		938	20,007
Total Cash Disbursements	83,340	84,694		1,350	169,384
Total Receipts Over Disbursements	43,514	13,381		6,002	62,897
Other Financing Receipts / (Disbursements):					
Advances - In	360				360
Advances - Out		(360)			(360)
Other Sources	1,876	239			2,115
Total Other Financing Receipts / (Disbursements)	2,236	(121)			2,115
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	45,750	13,260		6,002	65,012
Fund Cash Balances, January 1, 1999	90,939	71,300	3,263	52,808	218,310
Fund Cash Balances, December 31, 1999	\$136,689	\$84,560	\$3,263	\$58,810	\$283,322

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PLEASANT HILL
MIAMI COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	PROPRIETARY FUND TYPE
	Enterprise
Cash Receipts:	
Charges for Services	\$221,239
Miscellaneous	326
	221,565
Total Cash Receipts	221,565
Cash Disbursements:	
Personal Services	37,607
Employee Fringe Benefits	8,380
Contractual Services	94,938
Supplies and Materials	9,803
Capital Outlay	31,507
Miscellaneous	8,153
	190,388
Total Cash Disbursements	190,388
Operating Income / (Loss)	31,177
Non-Operating Cash Receipts / (Disbursements):	
Special Assessments	16,567
Debt Service	(18,410)
	(1,843)
Total Non-Operating Cash Receipts / Disbursements	(1,843)
Net Receipts Over / (Under) Disbursements	29,334
Fund Cash Balances, January 1, 1999	102,886
Fund Cash Balances, December 31, 1999	\$132,220

The notes to the financial statements are an integral part of this statement.

VILLAGE OF PLEASANT HILL
MIAMI COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES IN FUND
CASH BALANCES - ALL GOVERNMENTAL FUND TYPES AND SIMILAR FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 1998**

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND	Total (Memorandum Only)
	General	Special Revenue	Debt Service	Expendable Trust	
Cash Receipts:					
Local Taxes	\$32,504	\$20,639			\$53,143
Intergovernmental Receipts	61,682	59,101			120,783
Special Assessments		17,077			17,077
Charges for Services		17,676			17,676
Fines, Licenses, and Permits	4,098				4,098
Interest	10,059	460		1,282	11,801
Miscellaneous	2,383	269		6,090	8,742
Total Cash Receipts	110,726	115,222		7,372	233,320
Cash Disbursements:					
Current:					
Security of Persons and Property	34,754	40,983			75,737
Public Health Services		14,782			14,782
Leisure Time Activities	1,251			357	1,608
Community Environment	11				11
Transportation		12,767			12,767
General Government	50,032	12,691			62,723
Capital Outlay	563				563
Debt Service			3,911		3,911
Total Cash Disbursements	86,611	81,223	3,911	357	172,102
Total Receipts Over / (Under) Disbursements	24,115	33,999	(3,911)	7,015	61,218
Other Financing Receipts / (Disbursements):					
Transfers In		3,000			3,000
Transfers Out	(3,000)				(3,000)
Advances - In	26,865	27,287			54,152
Advances - Out	(27,287)	(26,865)			(54,152)
Other Sources	7,764	4,441			12,205
Other Uses		(913)			(913)
Total Other Financing Receipts / (Disbursements)	4,342	6,950			11,292
Excess of Cash Receipts and Other Financing Receipts Over / (Under) Cash Disbursements and Other Financing Disbursements	28,457	40,949	(3,911)	7,015	72,510
Fund Cash Balances, January 1, 1998	62,482	30,351	7,174	45,793	145,800
Fund Cash Balances, December 31, 1998	\$90,939	\$71,300	\$3,263	\$52,808	\$218,310

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PLEASANT HILL
MIAMI COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN FUND CASH BALANCES - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998**

	PROPRIETARY FUND TYPE
	Enterprise
Cash Receipts:	
Charges for Services	\$217,544
Miscellaneous	3,328
	220,872
Total Cash Receipts	220,872
Cash Disbursements:	
Personal Services	51,545
Employee Fringe Benefits	8,139
Contractual Services	96,483
Supplies and Materials	8,204
Capital Outlay	1,150
Miscellaneous	8,731
	174,252
Total Cash Disbursements	174,252
Operating Income	46,620
Non-Operating Cash (Disbursements):	
Debt Service	(39,173)
	7,447
Net Receipts Over Disbursements	7,447
Fund Cash Balances, January 1, 1998	95,439
	102,886
Fund Cash Balances, December 31, 1998	\$102,886

The notes to the financial statements are an integral part of this statement.

**VILLAGE OF PLEASANT HILL
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Village of Pleasant Hill, Miami County, (the Village) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a publicly-elected six-member Council. The Village provides general governmental services, including water and sewer utilities, park operations (leisure time activities), and police services.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Certificates of deposit are valued at cost. The investment in STAR Ohio (the State Treasurer's investment pool) is valued at amounts reported by the State Treasurer.

D. Fund Accounting

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Special Revenue Fund

These funds are used to account for proceeds from specific sources (other than from trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Funds:

Street Construction, Maintenance and Repair Fund - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining and repairing Village streets.

Police Levy Fund - This fund receives tax money for payment of protection of village residents.

**VILLAGE OF PLEASANT HILL
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

3. Debt Service Fund

These funds are used to accumulate resources for the payment of bonds and note indebtedness. The Village had the following debt service fund:

Bond Fund - This fund accumulated resources for the payment of bonds and note indebtedness.

4. Enterprise Funds

These funds account for operations that are similar to private business enterprises where management intends that the significant costs of providing certain goods or services will be recovered through user charges. The Village had the following significant Enterprise Funds:

Water Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Sewer Fund - This fund receives charges for services from residents to cover the cost of providing this utility.

Refuse Fund - This fund receives charges for services from residents to cover the cost of providing this service.

5. Fiduciary Funds (Trust and Agency Funds)

Trust funds are used to account for resources restricted by legally binding trust agreements. If the agreement requires the Village to maintain the corpus of the trust, the fund is classified as a nonexpendable trust fund. Other trust funds are classified as expendable. Funds for which the Village is acting in an agency capacity are classified as agency funds. The Village had the following significant fiduciary fund:

Oakes Beitman Building Fund - This fund receives interest earnings and rental payments for the lease of the building.

E. Budgetary Process

The Ohio Revised Code requires that each fund (except certain agency funds be budgeted annually.

1. Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control and appropriations may not exceed estimated resources. The Council must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Appropriations lapse at year end.

**VILLAGE OF PLEASANT HILL
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Budgetary Process (Continued)

2. Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

3. Encumbrances

The Ohio Revised Code requires the Village to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are carried over, and need not be reappropriated. Encumbrances outstanding at year end are canceled, and reappropriated in the subsequent year.

A summary of 1999 and 1998 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

G. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Village.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Village maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$ 24,628	\$ 71,659
Certificates of deposit	73,612	70,078
Total deposits	98,240	141,737
STAR Ohio	317,302	179,459
Total deposits and investments	\$ 415,542	\$ 321,196

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF PLEASANT HILL
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, follows:

1999 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 120,737	\$ 129,090	\$ 8,353
Special Revenue	117,702	98,314	(19,388)
Debt Service	0	0	0
Enterprise	218,000	238,132	20,132
Trust	7,600	7,352	(248)
Total	<u>\$ 464,039</u>	<u>\$ 472,888</u>	<u>\$ 8,849</u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 211,019	\$ 83,340	\$ 127,679
Special Revenue	195,220	85,054	110,166
Debt Service	0	0	0
Enterprise	320,889	208,798	112,091
Trust	60,407	1,350	59,057
Total	<u>\$ 787,535</u>	<u>\$ 378,542</u>	<u>\$ 408,993</u>

1998 Budgeted vs. Actual Receipts

Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 119,864	\$ 145,355	\$ 25,491
Special Revenue	126,016	149,950	23,934
Debt Service	0	0	0
Enterprise	222,000	220,872	(1,128)
Trust	7,150	7,372	222
Total	<u>\$ 475,030</u>	<u>\$ 523,549</u>	<u>\$ 48,519</u>

1998 Budgeted vs. Actual Budgetary Basis Expenditures

Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 182,352	\$ 116,898	\$ 65,454
Special Revenue	156,366	109,001	47,365
Debt Service	16,030	3,911	12,119
Enterprise	317,439	213,425	104,014
Trust	52,943	357	52,586
Total	<u>\$ 725,130</u>	<u>\$ 443,592</u>	<u>\$ 281,538</u>

**VILLAGE OF PLEASANT HILL
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

4. PROPERTY TAX

Real property taxes become a lien on January 1 preceding the October 1 date for which rates are adopted by Village Council. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable homestead and rollback deductions. Homestead and rollback amounts are then paid by the State, and are reflected in the accompanying financial statements as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to make semiannual payment, the first half is due December 31. The second half payment is due the following June 20.

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

The County is responsible for assessing property, and for billing, collecting, and distributing all property taxes on behalf of the Village.

5. DEBT

Debt outstanding at December 31, 1999 was as follows:

	<u>Principal</u>	Interest Rate
Ohio Water Development Authority Loan	<u>\$ 18,302</u>	7%

The Ohio Water Development Authority (OWDA) loan relates to a water and sewer plant improvements. All debt obligations are paid separately semi-annually.

Amortization of the above debt, including interest, is scheduled as follows:

<u>Year ending December 31:</u>	<u>OWDA Loan</u>
2000	<u>\$ 19,502</u>

6. RETIREMENT SYSTEMS

The Village's law enforcement belong to the Police and Firemen's Disability and Pension Funds (PFDPF). Other full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PFDPF and PERS are cost-sharing, multiple-employer plans. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PFDPF contributed 10% of their wages to the PFDPF. The Village contributed an amount equal to 19.5% of their wages. PERS members contributed 8.5% of their gross salaries. The Village contributed an amount equal to 13.55% of participants' gross salaries. The Village has paid all contributions required through December 31, 1999.

**VILLAGE OF PLEASANT HILL
MIAMI COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

7. RISK MANAGEMENT

The Village has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Village also provides health insurance to full-time employees through a private carrier.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Village of Pleasant Hill
Miami County
P. O. Box 557
Pleasant Hill, Ohio 45359

To the Members of Village Council:

We have audited the accompanying financial statements of the Village of Pleasant Hill, Miami County, Ohio (the Village), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 9, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Village in a separate letter dated June 9, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Village in a separate letter dated June 9, 2000.

This report is intended for the information and use of management and Village Council, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

June 9, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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VILLAGE OF PLEASANT HILL

MIAMI COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 20, 2000**